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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## MEMORANDUM

**DATE:** July 2006

**TO:** County Assessors

**FROM:** Barry Wood  
Director, Assessment Division

**RE:** Ratio Studies Conducted by the County Assessor  
After Application of Annual Adjustment Factors

We have received inquiries as to the proper format for submitting the county assessor's ratio study required by 50 IAC 21-8-1. That provision of the administrative code states:

50 IAC 21-8-1 Mandatory analysis

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12

Affected: IC 6-1.1-4-4.5

Sec. 1. After the application of annual adjustment factors, the county assessor shall calculate assessment ratio studies and provide the results to the department in the manner specified in 50 IAC 14-5-1 through 50 IAC 14-5-3.

The provision cited above requires county assessors to follow the procedures and format outlined in two sections of 50 IAC 14, the equalization rule. These are the same procedures that were used in submitting the ratio studies after the 2002 general reassessment. These two sections are reprinted below for your reference.

50 IAC 14-5-1 Classes of land

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12

Affected: IC 6-1.1-13

Sec. 1. (a) For each township in a county assessor's county, the county assessor shall calculate an assessment ratio for each of the following classes of property:

- (1) Improved residential.
- (2) Unimproved residential.
- (3) Improved commercial.
- (4) Unimproved commercial.
- (5) Improved industrial.
- (6) Unimproved industrial.
- (7) Agricultural land.

The definitions for the terms used in the classifications listed in this subsection shall be as stated in Real Property Assessment Guidelines for 2002–Version A (Glossary), as incorporated by reference in 50 IAC 2.3-1-2(c).

(b) A county assessor may separately calculate an assessment ratio for agricultural home sites separate from agricultural land. A county assessor may also include agricultural home sites in an appropriate residential assessment ratio at the county assessor's option.

(c) If any of the classes of property listed in subsection (a) consists of fewer than twenty-five (25) parcels in a township, no assessment ratio is required to be calculated for that class in that township.

(d) In calculating assessment ratios, each county assessor shall disregard distributable utility property. The county assessor shall classify locally assessed utility real property according to its use, for example, commercial or industrial, for purposes of calculating assessment ratios.

50 IAC 14-5-3 Provision of information to department of local government finance; verification

Authority: IC 6-1.1-31-1; IC 6-1.1-31-12

Affected: IC 6-1.1-13; IC 6-1.1-14

Sec. 3. (a) After the required data computations are compiled for every township in a county, the county assessor shall forward the results of those computations, the computations themselves, and all information used to make the computations (including all sales and assessment information) to the division of data analysis of the department of local government finance (division) in the format described in 50 IAC 14-8.

(b) The division will review and verify the accuracy of the computations. If errors are found in the computations, the division will notify the county assessor, who shall correct all errors. Once all errors are corrected, the county assessor shall forward the corrected computations to the division of data analysis for verification. When this verification is complete, the division will notify the county assessor.

The information should be submitted in electronic format to Barry Wood at the e-mail address below. The department will send the county assessor a certification letter when the ratio study is found acceptable. The department is committed to issuing the certification letter within two weeks of the receipt of an acceptable ratio study.

Finally, the Annual Adjustment Rule (50 IAC 21) and the Equalization Standards Rule (50 IAC 12) does not specifically address the timing of when to submit values and when notices of assessment (Form 11's) can be sent out. If a county chooses to send out the notices before the department's approval of values, and the department finds that a certain class or area/township needs to be changed, the county may have to re-issue those notices, at its expense. It is recommended that assessment notices (Form 11) not be mailed nor gross assessed values be rolled to the county auditor until such time as the certification letter is received. Please contact me at (317) 232-3773 or e-mail [bwood@dlgf.in.gov](mailto:bwood@dlgf.in.gov) if there are questions regarding this memorandum.